Message Text

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ACTION TRSE-00

INFO OCT-01 NEA-09 ISO-00 AID-05 CIAE-00 COME-00 EB-07

FRB-01 INR-07 NSAE-00 XMB-04 OPIC-06 SP-02 CIEP-02

LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-04 CEA-01 L-02

H-02 IO-10 EA-10 AGR-10 /109 W

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R 211205Z FEB 75

FM AMEMBASSY ISLAMABAD

TO AMEMBASSY MANILA

INFO SECSTATE WASHDC 8924

AMEMBASSY KABUL

AMCONSUL LAHORE

AMCONSUL KARACHI

UNCLAS ISLAMABAD 1613

MANILA FOR USADB

EO 11652 N/A

TAGS: EAID, EFIN, BEXP, AF, PK

SUB: US PROCUREMENT FROM ADB-FINANCED PROJECTS

REFS: A. MANILA 1818 B. KABUL 0928

1. SUMMARY. IN GENERAL US FIRMS HAVE SHOWN LITTLE INTEREST IN ADB PROJECTS IN PAKISTAN. GREATER PUBLICITY THROUGH USDOC FACILITIES MIGHT ENCOURAGE MORE INTEREST. DIRECT AND EARLIER CONTACT BY EMBASSY MANILA OR USADB WOULD BE HELPFUL AS WOULD BE CONTACT HERE BY CONGEN OR EMBASSY PERSONNEL WITH ADB TEAM MEMBERS VISITING PAKISTAN. WE QUESTION USEFULNESS OF E/C OFFICER RESIDENT MANILA REPORTING ON MAJOR PROJECTS IN PAKISTAN AS SUGGESTED BY EMB KABUL. END SUMMARY.

2. AMCONGENS LAHORE AND KARACHI HAVE FURNISHED SOME INTERESTING COMMENTS CONCERNING REFTEL A WITH WHICH WE UNCLASSIFIED

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AGREE. CONGEN LAHORE BELIEVES RECENT PROCUREMENT EQUIPMENT

AND SERVICES FOR MULTAN FERTILIZER FACTORY BY NATIONAL FERTILIZER CORPORATION (NFC) ILLUSTRATES SOME OF PROBLEMS INVOLVED IN INCREASING US SHARE IN SUCH ACTIVITIES. FOREIGN EXCHANGE COMPONENT FOR THE MULTAN PLANT WHICH IS FINANCED BY ADB, WORLD BANK AND ABU DHABI, APPROXIMATES USDOLS 120 MILLION. NFC MANAGEMENT CLAIMS IT HAD HOPED PROCURE MAJOR PORTION OF ITS EQUIPMENT FROM US SUPPLIERS, PROVIDED THIS COULD BE DONE WITHIN WORLD BANK PROCUREMENT RULES. NFC THEREFORE PLACED ADS (AT COST OVER USDOLS 100,000) IN LEADING US AND OTHER TRADE PUBLICATIONS OFFERING PREQUALIFY FIRMS INTERESTED IN PROJECT. NFC ALSO ASKED ITS CONSULTANTS (KELLOGG UK, US OWNED) TO IDENTIFY REPUTABLE US (PARTICULARLY) AND OTHER SUPPLIERS. NUMBER RESPONSES FROM US FIRMS WAS VERY SMALL. BIDS FROM THOSE FEW US FIRMS THAT SUBMITTED THEM. AFTER PREOUALIFICATION. WERE HIGH PRICED AND HAD RELATIVELY LONG DELIVERY TIMES.

3. AMCONGEN LAHORE SUGGESTS THAT PROJECTS SUCH AS MULTAN ARE HIGHLY APPROPRIATE FOR PUBLICITY AS "MAJOR EXPORT PROJECTS" THROUGH USDOC FACILITIES. AMCONGEN LAHORE HAS NO RECORD OF USADB NOTIFICATION OF MULTAN PREQUALIFICATIONS PROCEDURES. WHILE USDOC PUBLICITY WOULD NOT PER SE HAVE REDUCED US QUOTATIONS OR IMPROVED DELIVERY TIMES, IT IS ENTIRELY POSSIBLE THAT INCREASED COMPETITION THROUGH MORE EFFECTIVE USDOC NOTIFICATION PROCEDURES WOULD HAVE ASSISTED. AMCONGEN LAHORE STATES THAT IT WOULD BE HELPFUL IF THEY COULD RECEIVE, PRESUMABLY THROUGH EMB MANILA OR USADB, NOTIFICATION OF SIMILAR FUTURE PROJECTS. (AS IT FREQUENTLY MAY NOT BE CLEAR IN WHICH CONSULAR DISTRICT A PROJECT MAY FALL, WE SUGGEST THAT ALL SUCH NOTIFICATIONS BE SENT TO EMB ISLAMABAD AND WE WILL PROMPTLY DIRECT THEM TO THE APPROPRIATE CONSTITUENT POST.)

4. CONGEN KARACHI CONSIDERS THE MOST IMPORTANT WAY TO IMPROVE INFORMATION FLOW RELATIVE TO ADB PROJECTS IN PAKISTAN IS EITHER FOR USADB TO NOTIFY MISSION TELEGRAPHICALLY CONCERNING ARRIVAL VARIOUS ADB TEAMS AND/OR TO PURSUADE TEAMS GET IN TOUCH WITH EMBASSY/CONGEN DURING VISIT. TO DATE CONGEN KARACHI HAS HEARD OF ADB TEAM VISITS ONLY INDIRECTLY AND USUALLY AFTER THE FACT. IF EMB AND CONGENS UNCLASSIFIED

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WERE NOTIFIED BY TELEGRAM FROM USADB OF TEAM ARRIVALS AND IF REPS FROM TEAMS WERE WILLING TO TALK TO EMB/CONGEN OFFICERS, MISSION OFFICERS WOULD HAVE A MUCH CLEARER FIRST-HAND IDEA OF WHAT ADB WAS PLANNING FOR PAKISTAN AND WOULD BE ABLE TO REPORT MAJOR PROJECTS MORE ACCURATELY AND PERHAPS WITH MORE ADVANCE NOTICE.

5. CONGEN KARACHI AND WE ALSO HAVE STRONG RESERVATIONS

CONCERNING KABUL'S SUGGESTION PARA THREE REF B. REGARDING
REGIONAL ECONOMIC OFFICER IN MANILA REPORTING MAJOR
ECONOMIC PROJECTS HERE TO COMMERCE. WE BELIEVE THAT THIS
COULD CROSS UP AND DUPLICATE REPORTING FROM PAKISTAN.
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